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WTCI-586-P

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THE PORT AUTHORITY OF NY & NJ

Memorandum

To: John B. McAvey, Comptroller
From: Guy F. Tozzoli
Date: January 10, 1984
Subject: THE WORLD TRADE CENTER LEASE NO. WT-2274-A-24 (1522)
THE JOHNSON MATTHEY COMMODITIES INC. - NEGOTIATED SETTLEMENT
Reference:

Refer To	Date	Noted By	Date
Return To		File	

Copy To: F. Almerino, C. Bianchi, I. Bressler, S. Burg, T. Donovan, R. Hanley, D. Lee, R. Linn, C. J. Lynch, G. Rossi, J. Stein

Johnson Matthey Commodities Inc. has occupied an area of 5,024 rentable square feet on the 24th Floor of One World Trade Center since December, 1980. In July of 1982 this tenant agreed to expand its premises by taking 11,616 rentable square feet of additional space on the 25th Floor. Since this additional area was at that time occupied by another tenant whose lease was due to expire on September 30, 1982, a fixed commencement date of October 1, 1982 was established with a clause providing for a postponement of the letting. Ultimately, the existing tenant, Lep Transport Inc. heldover in the space, and the postponement clause was invoked. Despite the fact that the additional space was not immediately occupied, Johnson Matthey's rent commenced effective November 21, 1982. The space required complex reconstruction by the tenant's contractors, including an interconnecting stairwell between the 24th and 25th Floor areas.

On December 21, 1982 the tenant was granted limited permission to commence construction in the space while its contract drawings were being reviewed by Port Authority engineering staff. In January of 1983, while construction was in progress, we amended our policy regarding construction in tenant areas containing asbestos fireproofing. Our change in policy, which now requires strict compliance with OSHA and EPA Regulations, caused a considerable delay in completion of construction and in the tenant's eventual occupancy; according to our records all work in this area was stopped on February 28, 1983, final approval of the Tenant Alteration Application was delayed for eleven weeks, of which, staff has determined that four (4) weeks were attributable to the tenant's architect.

Therefore, your concurrence is requested to permit the issuance of a credit in the amount of $52,643.38 which represents the equivalent of seven (7) weeks rental abatement, covering the period commencing November 21, 1982 through January 8, 1983.

PLAINTIFF'S EXHIBIT PX-668

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In addition, as part of a general plan to provide more efficient temperature controls, the tenant was asked to have his contractor furnish and install thermal insulation for approximately 250 L.F. of main supply ductwork serving adjacent tenant areas. With your concurrence, it is our intent to reimburse the tenant in the amount of $3,750, an amount which is based on an established unit price of $15/Lin. Ft.

Guy F. Tozzoli
Director
World Trade Department

John C. Barnett
LAW DEPARTMENT

1/17/84
DATE

John B. McAvey
COMPTROLLERS DEPARTMENT

1/17/84
DATE

JMB